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IHS Markit Europe Sector PMI®

Machinery & Equipment sector posts record output growth in April

Key findings

Machinery & Equipment tops rankings with fresh record high rate of output growth

Healthcare Services is highest-ranked pure services sector in fifth place overall

Tourism & Recreation posts stronger decline in activity than in March

The latest detailed European sector PMI® data indicated output growth in 18 out of 20 monitored sectors in April, up from 15 in March and the highest total since August 2018. Manufacturing continued to dominate the rankings with five of the top six sectors all engaged in goods production.

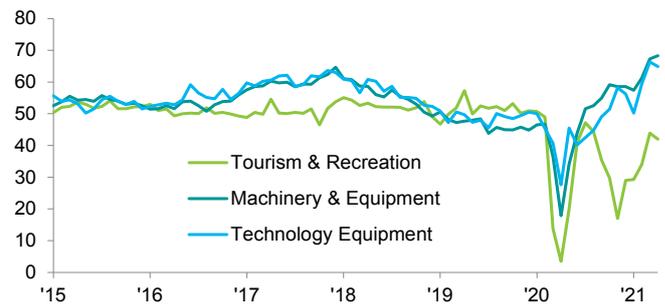
The strongest expansions were in Machinery & Equipment, Technology Equipment, Automobiles & Auto Parts and Metals & Mining. Machinery & Equipment registered the fastest rate of growth since the series was first compiled in 1998, and Technology Equipment the second-fastest. Automobiles & Auto Parts posted the strongest rise in output since last October, while growth in Metals & Mining eased slightly from March's decade-high expansion.

The top-performing services sector in April was Healthcare Services, in fifth place overall. The rate of expansion was the strongest since October 2006, in a marked rebound since March's decline. It's sister sector, Pharmaceuticals & Biotechnology, ranked seventh April with a rate of expansion little-changed from March's seven-month high.

The only sectors to record falling activity in April were Tourism & Recreation and Real Estate. The current sequences of contraction were extended to 15 and seven months, respectively, and the rates of decline accelerated since March in both sectors. These sectors were also the only categories to register falling new business in April.

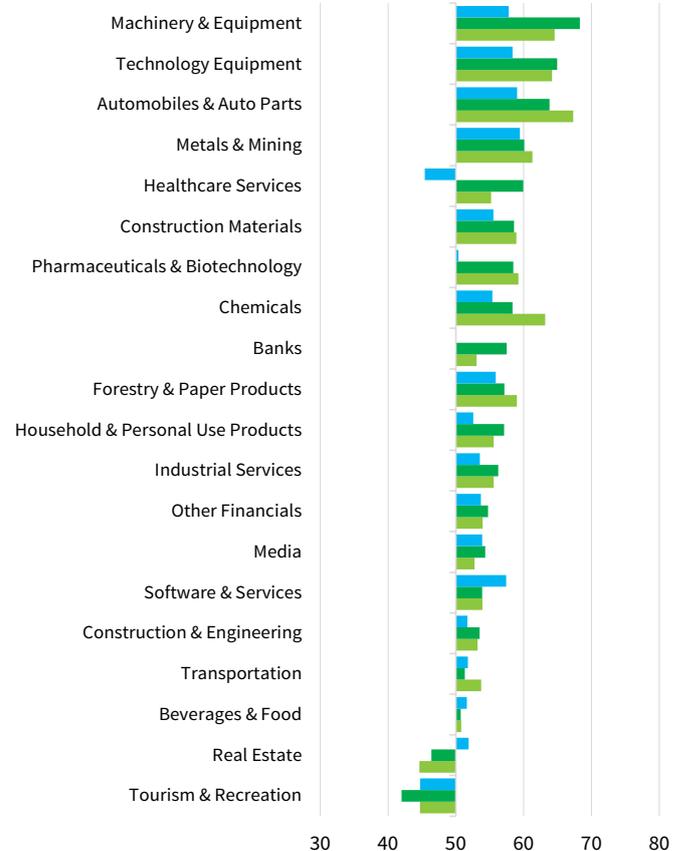
In terms of employment, all but three sectors registered higher staffing in April. The strongest job creation was in Metals & Mining, followed by Automobiles & Auto Parts. Job losses were registered in Tourism & Recreation and Healthcare Services, while no change was seen in Banks.

Europe Output Index
sa, >50 = growth since previous month



Source: IHS Markit.

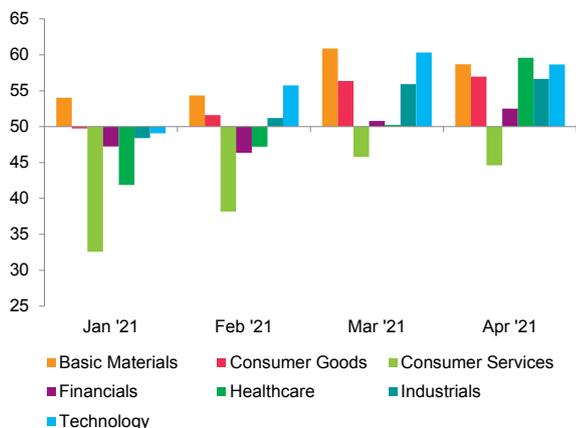
Output Index ■ / New Orders Index ■ / Employment Index ■, Apr '21
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

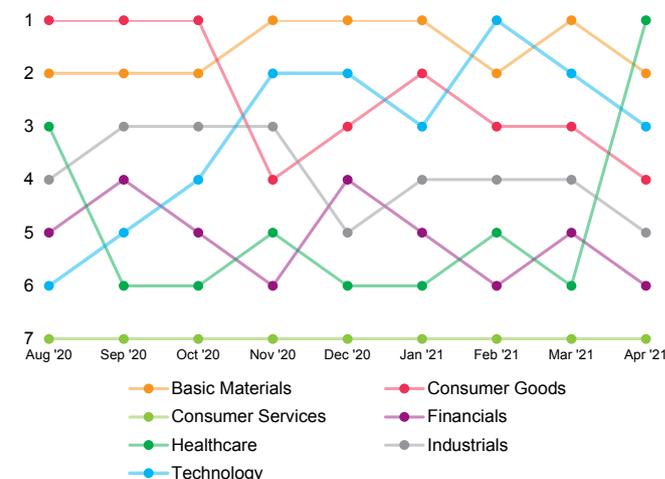
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

Rank



Source: IHS Markit.

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Methodology

The IHS Markit Europe Sector PMI® indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index® (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

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About PMI

Purchasing Managers' Index® (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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